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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-928]

Uncovered Innerspring Units from the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2014-2015

AGENCY: Enforcement and Compliance, International Trade Administration,
Department of Commerce

SUMMARY: On March 10, 2016, the Department of Commerce (the "Department") published the preliminary results of the administrative review of the antidumping duty order on uncovered innerspring units ("innersprings") from the People's Republic of China ("PRC"). We gave interested parties an opportunity to comment on the preliminary results, and based upon our analysis of the comments and information received, we made certain changes for these final results. In these final results, we determine that innersprings are being, or are likely to be, sold in the United States at less than fair value. The period of review ("POR") is February 1, 2014, through January 31, 2015. The final weighted-average dumping margins are listed below in the "Final Results of Review" section of this notice.

DATE: Effective (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*.)

FOR FURTHER INFORMATION CONTACT: Kenneth Hawkins, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-6491.

SUPPLEMENTARY INFORMATION:

Background

This review covers two exporters of subject merchandise: East Grace Corporation (“East Grace”) and Macao Commercial and Industrial Spring Mattress Manufacturer (“Macao Commercial”).

The Department published the preliminary results on March 10, 2016.¹ A summary of the events that occurred since the Department published the *Preliminary Results*, as well as a full discussion of the issues raised by parties for these final results, may be found in the Final Issues and Decision Memorandum.²

Also, as explained in the memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department exercised its authority to toll all administrative deadlines due to the recent closure of the Federal Government.³ As a consequence, all deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the final results is now September 6, 2016.

Scope of the Order

The merchandise subject to the order is uncovered innerspring units.⁴ The product is currently classified under subheading 9404.29.9010 and has also been classified under subheadings 9404.10.0000, 7326.20.0070, 7320.20.5010, or 7320.90.5010, of the Harmonized

¹ See *Uncovered Innerspring Units from the People’s Republic of China: Preliminary Results of the Antidumping Duty Administrative Review; 2014-2015*, 81 FR 12688 (March 10, 2016) (“*Preliminary Results*”) and accompanying Preliminary Decision Memorandum.

² See Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Uncovered Innerspring Units from the People’s Republic of China: Issues and Decision Memorandum for the Final Results of the 2014-2015 Administrative Review” (“Issues and Decision Memorandum”), dated concurrently with this notice.

³ Memorandum to the Record from Ron Lorentzen, Acting A/S for Enforcement & Compliance, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas,” dated January 27, 2016, extending all administrative deadlines by four business days.

⁴ See Issues and Decision Memorandum for a complete description of the Scope of the Order.

Tariff Schedule of the United States (“HTSUS”). The HTSUS subheadings are provided for convenience and customs purposes only; the written product description of the scope of the order is dispositive.

Analysis of Comments Received

All issues raised in parties’ case and rebuttal briefs are addressed in the Issues and Decision Memorandum, which is incorporated herein by reference. A list of the issues which parties raised, and to which we responded in the Issues and Decision Memorandum, is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”). ACCESS is available to registered users at <http://access.trade.gov>, and it is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. The Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

Companies That Did Not Establish Their Eligibility for a Separate Rate

In *the Preliminary Results*, the Department found that East Grace failed to establish its eligibility to receive a separate rate and that it was, thus, part of the PRC-wide entity.⁵ The Department has not received any comments that would warrant a review of that determination. Therefore, we continue to find that East Grace is part of the PRC-wide entity for purposes of this review. Because no party requested a review of the PRC-wide entity in this review, the PRC-

⁵ See *Preliminary Results*, 81 FR at 12689.

wide entity is not under review and therefore its rate is not subject to change.⁶ The rate previously established for the PRC-wide entity in this proceeding is 234.51 percent.

Changes Since the *Preliminary Results*

In the *Preliminary Results*, we found that Macao Commercial had no shipments of PRC-origin innersprings during the POR and, therefore, had no reviewable shipments.⁷ However, after considering comments raised by interested parties and additional questionnaire responses submitted after the *Preliminary Results*, the Department is revising its preliminary results with respect to Macao Commercial. Specifically, we determine that use of facts available with respect to Macao Commercial is warranted pursuant to section 776(a)(1) & (2)(A), (B), and (C) of the Tariff Act of 1930, as amended (“the Act”). We are also applying an adverse inference in selecting from among the facts available, pursuant to section 776(b) of the Act, because we find that Macao Commercial failed to cooperate to the best of its ability in providing the requested information. Based on the foregoing, we find that Macao Commercial has failed to demonstrate that it had no shipments of PRC-origin innersprings during the POR, and we are assigning a rate to Macao Commercial using adverse facts available.

As part of this determination, we have not adopted petitioner Leggett and Platt, Inc.’s suggestion that the Department also find that the country of origin of *all* of Macao Commercial’s exports of innersprings to the United States during the POR is the PRC. However, the information placed on the record during this administrative review as well as prior circumvention findings in this proceeding⁸ raise a concern that there are entries which should be

⁶ See *Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963 (November 4, 2013).

⁷ See *Preliminary Results*, 81 FR at 12689.

⁸ See, e.g., *Uncovered Innerspring Units from the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Duty Order*, 79 FR 3345 (January 21, 2014).

subject to the Order but currently are not. The Department intends to consider these facts to determine if it would be appropriate for the Department to self-initiate a circumvention inquiry.

Final Results of Review

The weighted-average dumping margin for the period February 1, 2014, through January 31, 2015, is as follows:

Exporter	Weighted-Average Dumping Margin (percent)
Macao Commercial and Industrial Spring Mattress Manufacturer	234.51

Assessment

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b), the Department will determine, and U.S. Customs and Border Protection (“CBP”) shall assess, antidumping duties on all appropriate entries. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of review in the *Federal Register*. For East Grace, the Department will instruct CBP to assess antidumping duties on the companies’ entries of subject merchandise (*i.e.*, PRC-origin innersprings) at the rate for the PRC-entity of 234.51 percent. For Macao Commercial, the Department will instruct CBP to assess antidumping duties on the companies’ entries of subject merchandise (*i.e.*, PRC-origin innersprings) at the individually-assigned rate of 234.51 percent.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the exporter listed above, the cash

deposit rate will be 234.51 percent for their entries of subject merchandise (*i.e.*, PRC-origin innersprings); (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have a separate rate, the cash deposit rate will continue to be the exporter-specific rate published for the most recently completed segment of this proceeding in which the exporter was reviewed; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be that established for the PRC-wide entity of 234.51 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporter that supplied that non-PRC exporter with the subject merchandise. The deposit requirements, when imposed, shall remain in effect until further notice.

Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

Administrative Protective Order

In accordance with 19 CFR 351.305(a)(3), this notice also serves as a final reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO, which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby

requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing this administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act.

Dated: September 6, 2016

Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

Appendix I

List of Topics Discussed in the Final Decision Memorandum:

1. Summary
2. Background
3. Scope of the Order
4. Discussion of the Issue
5. Application of Facts Available
6. Affiliations
7. Sales Process
8. Q&V Information Financial Statements/Sales Reconciliations
9. Cost Reconciliations
10. Use of Adverse Inferences
11. Country of Origin
12. Recommendation

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